

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

October 30, 2000

IN RE:

**BELLSOUTH TELECOMMUNICATIONS, INC.
TARIFF FILING FOR CONTRACT SERVICE
ARRANGEMENT TN99-1533-02**

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**DOCKET NO.
00-00676**

**ORDER GRANTING APPROVAL OF BELLSOUTH
CONTRACT SERVICE ARRANGEMENT (TN99-1533-02)**

This matter came before the Tennessee Regulatory Authority ("Authority") at a regularly scheduled Authority Conference held on October 10, 2000 for consideration of BellSouth Telecommunications, Inc.'s ("BellSouth") Tariff Filing for Contract Service Arrangement TN99-1533-02 ("CSA"). BellSouth filed Tariff No. 00-00676 with the Authority on August 1, 2000, with the proposed effective date of August 31, 2000.

The Directors first considered this CSA at a regularly scheduled Authority Conference held on August 29, 2000. During the Conference, the Directors noted that BellSouth had failed to provide a copy of the Request for Proposal ("RFP") or any other documentation signed by the customer evidencing the existence of competitive alternatives. Thereafter, the Directors heard comments from BellSouth and determined that BellSouth must provide the requested proof of competitive alternatives. The Directors voted unanimously to defer the matter and suspend the Tariff through September 12, 2000 to allow BellSouth additional time to submit additional information regarding the customer's acknowledgement of competitive alternatives.

Specifically, the Directors stated that BellSouth should either file the RFP or the Tennessee Addendum.¹

At the September 12, 2000 Authority Conference, BellSouth stated that it had contacted the customer regarding the Authority's request that BellSouth provide either the RFP or Tennessee Addendum. BellSouth next stated that the customer had agreed to sign the Tennessee Addendum, but BellSouth had not yet received the customer's signature. Upon hearing these comments the Directors voted to re-suspend the tariff for an additional thirty (30) days to allow BellSouth to comply with the Authority's request.

BellSouth filed a Tennessee Addendum on October 5, 2000. The addendum contained the customer's acknowledgement regarding competitive alternatives and the termination provisions. The customer and BellSouth each signed the addendum.

The Directors next considered this matter at a regularly scheduled Authority Conference held on October 10, 2000. Based upon careful consideration of the tariff filing, the attachments thereto, and the supplemental filings by BellSouth, the Authority finds and concludes:

1. The purpose of this CSA is to provide the customer identified in the filing with discounted rates on Aggregated WatsSaver Service. Aggregated WatsSaver service provides business customers with a guaranteed per minute toll rate that is based upon the customer's commitment to a certain volume of toll usage.
2. The term of the CSA is three (3) years.

¹ BellSouth began filing the Tennessee Addendum as part of its CSA filings after the Authority held in Docket Nos. 99-00599 and 99-00600 that proof of the customer's acknowledgement of competitive alternatives was necessary. The Tennessee Addendum is signed by the customer and contains the customer's acknowledgment that competitive alternatives exist.

3. Under the CSA as filed, if the customer disconnects any of the services prior to the expiration of the CSA, the termination provisions require that the customer pay BellSouth the remaining monthly recurring contract payments. In the addendum, filed on October 5, 2000, BellSouth revised the termination provisions such that, upon early termination of the CSA, the customer is required to pay the lesser of: 1) the relevant tariff termination provisions; 2) the amount of discounts received during the previous twelve (12) months of service; 3) six percent (6%) of the total CSA amount; or 4) the amount specified in any effective rule promulgated by the Authority.²

4. BellSouth provided an addendum executed by the customer stating that the customer was aware of competitive alternatives available to it in Tennessee and that the customer and BellSouth have agreed on the termination provisions and that the termination charges represent a reasonable estimate of BellSouth's damages in the event of termination.

5. BellSouth supplied cost data which indicates that the price of services offered under the CSA exceed their long-run incremental costs. This data indicates that BellSouth has complied with the statutory price floor established in Tenn. Code Ann. § 65-5-208(c).

6. No parties sought to intervene in this docket.

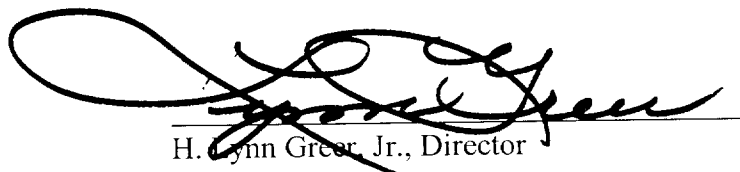
Based upon the foregoing, the Directors unanimously determined that the CSA in this docket should be granted.

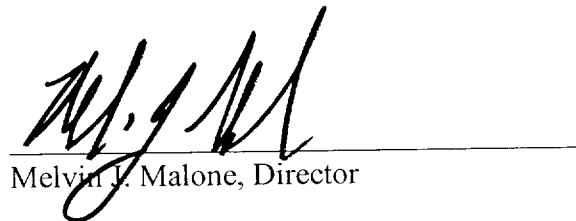
² *Rulemaking Proceeding - Regulations for Term Arrangements for Telecommunications Services*, Docket No. 00-00702, was opened by the Directors to establish rules in order to regulate the use of CSAs and tariff term plans by Independent and Competing Local Exchange Carriers.

IT IS THEREFORE ORDERED THAT:

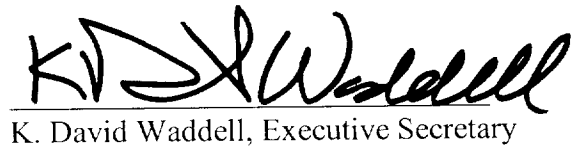
BellSouth Telecommunications, Inc.'s Tariff No. 00-00676, which seeks approval of Contract Service Arrangement No. TN99-1533-02, is hereby granted.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary